



Los Angeles County AUDIT COMMITTEE

Clinton Tatum, Chair
2nd District
Brence Culp, Vice Chair
3rd District
Louisa Ollague
1st District
Sheri Sakamoto
4th District
Angela Mazzie
5th District

AUDIT COMMITTEE MEETING MINUTES August 21, 2003

Chairperson Clinton Tatum called the meeting to order at 3:32 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Clinton Tatum, Second District
Louisa Ollague, First District
Brence Culp, Third District
Angela Mazzie, Fifth District

Committee Members Absent

Sheri Sakamoto, Fourth District

Others in Attendance

Laura Odem, Department of Human Resources
Brian Mahan, Chief Administrator's Office
Ed Rogner, Los Angeles Sheriff's Department
DeWitt Roberts, Auditor-Controller
Martha Littlefield, Executive Office
Ken Wales, Executive Office

Approval of Minutes

On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved the July 17, 2003 minutes.

Old Business

Los Angeles County Internet Security Policy. **This item was continued to the September 18, 2003 meeting to allow the CIO additional time to confer with County Counsel regarding the draft policies.**

Education Task Force Report – Recommendation Follow Up. Task Force reviews the County's educational system for dependent and delinquent youth. **This item was continued to the September 18, 2003 meeting.**

Board of Supervisors Policy Sunset Review #9.160 Workforce Reduction. This policy instructs the Personnel Director to coordinate/enhance County efforts to find alternative placement for County employees who may be subject to layoff. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved extending the sunset review date to June 19, 2007.**

Department of Public Social Services – Welfare Fraud Prevention Program Review. **This item was continued to the September 18, 2003 meeting.**

Department of Children and Family Services Preservation Program Service Providers' Financial Audits – Fiscal Years 1999 – 2001. Simpson & Simpson, Certified Public Accountants was engaged to conduct financial audits of the 28 community-based organizations that provided Family Preservation services for DCFS. **This item was continued to the September 18, 2003 meeting.**

Department of Community and Senior Services Fiscal Review Follow Up (05/14/03) – Department Responses to Fiscal Review Follow Up. The Department's response included a follow up of the recommendations to improve fiscal operations and contract solicitation procedures along with the target completion date. **On motion of Clinton Tatum, seconded by Brence Culp, the Committee unanimously approved sending a letter requesting quarterly status reports from the Department until all of the recommendations have been implemented.**

Reports to be Received and Filed

Department of Children and Family Services Family Preservation Rate Study. Thompson, Cobb, Bazillo & Associates, Certified Public Accountants (TCBA) was engaged to review the rate structure DCFS uses to compensate agencies that provide family preservation services. TCBA recommended the Department replace the current rate structure with a model reimbursing agencies for actual costs. DCFS will evaluate the options and incorporate any change to the current model in the program's next contract cycle. **On motion of Brence Culp, seconded by Clinton Tatum, the Committee unanimously approved requesting DCFS report on the results of the evaluation and the action plan.**

Review of the Treasurer's Cash and Investment as of March 31, 2003. The Auditor-Controller's quarterly reviews County Treasury cash and investments and compares the balance to the corresponding County Treasurer and Auditor-Controller records. **On motion of Louisa Ollague, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.**

Reports Received

Department of Health Services Contract Monitoring. The Board instructed DHS to centralize its contract monitoring functions and for DHS and the Auditor-Controller to evaluate how the monitoring system changes are working. **On motion of Louisa Ollague, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.**

Department of Animal Care and Control Animal License Fee Collection Review. The Board directed the Auditor-Controller with the Department of Animal Care and Control to review the Department's procedures and practices for collecting animal license fees and penalties. The review concluded the Department can enhance its billing practices and its management reporting system to maintain customer payment history and generate the necessary reports to enable management to further monitor billing and collection activity. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Department of Children and Family Services Child Support Trust Account Review (November 2002). The Department of Children and Family Services' response to the Auditor-Controller's November 2002 Child Support Trust Account Review recommendations. DCFS anticipates the implementation of the twelve recommendations by December 2003 and a final report in January 2004. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved requesting the Department Head sign the January response.**

Los Angeles County Fraud Hotline Status. The Auditor-Controllers' report on its investigation of cases referred by the Fraud Hotline. The Auditor-Controller closed 111 cases of which 29 were substantiated, 43 were not substantiated and 39 not investigated due to insufficient information. **This item was continued to the September 18, 2003 meeting.**

Work Order #6-38-2002-03 Department of Public Works LAC – USC Medical Center Replacement Project Administration Special Study. The Department of Public Works requested the Auditor-Controller engage Thompson, Cobb, Bazillio & Associates to assess the project's fiscal administration internal controls. **On motion of Louisa Ollague, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.**

Review of Guardians of Love Foster Family Agency – A Foster Family Agency Foster Care Contractor. The Auditor-Controllers' report on Guardians of Love Foster Family Agency identified \$66,244 in non-allowable expenditures, \$58,446 that was not program related and \$7,798 having inadequate documentation to support the expenditures. **On motion of Louisa Ollague, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Department of Mental Health Fiscal Review. The Auditor-Controller's fiscal review of the Department's budgetary performance, internal controls, and compliance with County fiscal policies and procedures disclosed several areas for improvement. **This item was continued to the October 16, 2003 meeting and Susan Kerr will be invited to attend the meeting.**

Board of Supervisors Policy Sunset Review #8.030. This Countywide policy establishes allocation of department auto, general and medical malpractice liability costs. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to August 21, 2007.**

Board of Supervisors Policy Sunset Review #7.040 Requirements for Departmental Legislative Analysis. This policy establishes uniform analysis of pending legislation where certain criteria must be reviewed. **This item was continued to the September 18, 2003 meeting to allow CAO legislative staff to attend and address Committee concerns.**

Board of Supervisors Policy Sunset Review #5.045 Sheriff's Department Law Enforcement Services Contracts Review Policy. This policy was developed in response to a Board Order requiring the review of the Sheriff's law enforcement services operational contracts including resource deployment in the unincorporated areas. Ed Rogner reported that the

Department is working with the Auditor Controller to verify contracts are appropriately paid and an examination of billing issues is being conducted in a Century Station pilot program. A monthly report outlining the contract cities' service level will be provided to the Committee. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously accepted the report and extended the sunset review date to September 1, 2007 and requested a copy of the Department's annual report after reconciliation including a summary of the variances and actions taken for variances exceeding two percent.**

Board of Supervisors Policy Sunset Review #9.040 Investigations of Possible Criminal Activity within County Government. This policy mandates that proper authorities be notified of any suspected criminal activity by a County employee or agency contracting with the County. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to September 8, 2013.**

Public Comment

There was none.

Matters not on the posted agenda to be presented and placed on the agenda of a future meeting.

There was none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 4:20 p.m.